

# ONE Minute Brief

17 July 2017

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## Economic and Political News

South Africa's (SA) Mineral Resources Minister, Mosebenzi Zwane, has suspended the implementation of controversial new Mining Charter, pending judgment on an urgent interdict application by the industry seeking to halt the rules.

The SA Communist Party confirmed that it will contest the 2019 elections on its own but will remain committed to strengthening and consolidating the African National Congress alliance.

Parliament Speaker, Baleka Mbete, indicated that she has received submissions from 9 out of the 13 political parties for a secret ballot vote against President, Jacob Zuma.

ANC's National Executive Council Member, Lindiwe Sisulu, has officially given her name for the ANC's presidential elections.

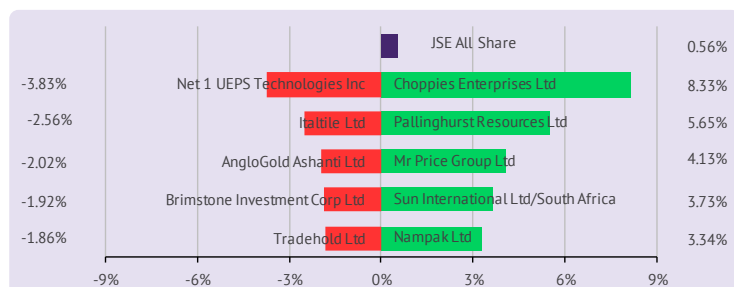
In court papers filed by the South African Reserve Bank (SARB), the central bank has indicated that the Public Protector's report was reckless and displayed a "fundamental lack of understanding of the monetary system and the role of central banks".

The Democratic Alliance stated that Deputy Finance Minister, Sifiso Buthelezi, had five days to release the South African Airways (SAA) forensic reports containing details of gross mismanagement at the airways.

## South Africa Market ▲

### South African markets closed higher

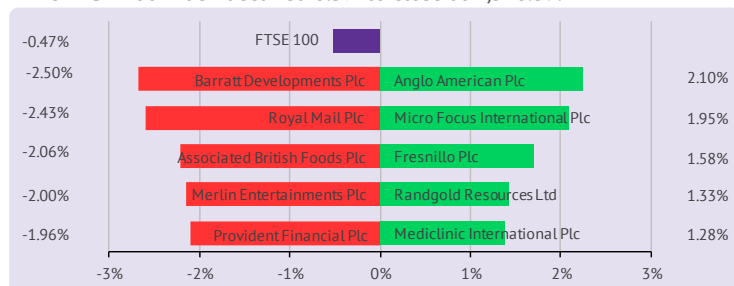
South African markets closed in the green on Friday, amid gains in retail and banking sector stocks. The JSE All Share Index rose 0.6% to close at 53,597.96.



## UK Market ▼

### The FTSE 100 futures are trading in positive territory

UK markets finished lower on Friday, weighed down by a decline in consumer discretionary and financial sector stocks. Data showed that UK's Rightmove house price index rebounded on a monthly basis in July. The FTSE 100 Index declined 0.5% to close at 7,378.39.



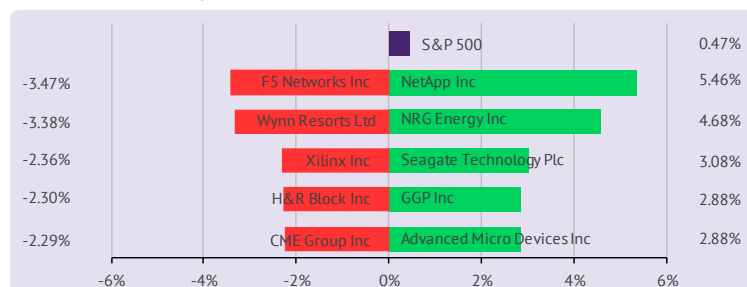
## Key Indices

	Last Close		1 Day Chg	1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
JSE All Share	53597.96	▲	297.00	0.56%	NA	3.85%	-3.64%	5.81%
JSE Top 40	47309.26	▲	253.24	0.54%	NA	4.16%	-3.67%	7.76%
FTSE 100	7378.39	▼	-35.05	-0.47%	NA	0.90%	-2.76%	3.30%
DAX 30	12631.72	▼	-9.61	-0.08%	NA	2.49%	-2.30%	10.02%
CAC 40	5235.31	▼	-0.09	0.00%	NA	2.24%	-3.08%	7.67%
S&P 500	2459.27	▲	11.44	0.47%	NA	1.48%	0.48%	9.85%
Nasdaq Composite	6312.47	▲	38.03	0.61%	NA	2.80%	-0.94%	17.26%
DJIA	21637.74	▲	84.65	0.39%	NA	1.35%	1.62%	9.49%

## US Market ▲

### The S&P 500 futures are trading in the green

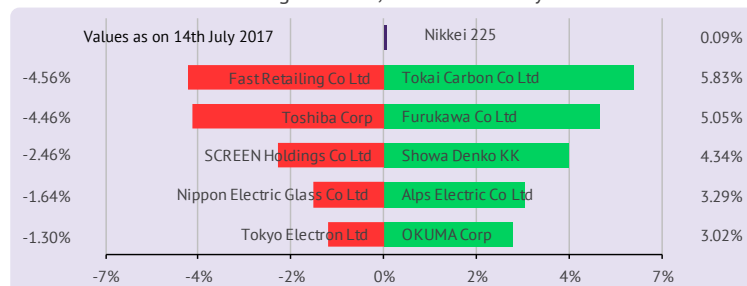
US markets closed higher on Friday, led by a rise in technology sector stocks. Data revealed that the US consumer price index advanced less-than-expected on an annual basis in June. The S&P 500 Index climbed 0.5% to close at 2,459.27.



## Asian Market ▲

### Trading mostly higher

Asian markets are trading mostly higher this morning. Data showed that China's gross domestic product rose more-than-forecast YoY in 2Q17. Markets in Japan are closed on account of a public holiday. The Nikkei 225 Index traded 0.1% higher at 20,118.86 on Friday.



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## USDZAR ▲

### USD trading firmer against ZAR

At 06:00 SAST, the US Dollar is trading 0.1% higher against the South African Rand at R13.0464.

The US Dollar fell against the South African Rand on Friday, after US retail sales unexpectedly dropped on a monthly basis in June, weighed down by a decline in sales at gas stations, clothing stores, supermarkets, restaurants, book stores and sporting-goods stores. Further, the preliminary Reuters/Michigan consumer confidence index registered a more-than-expected decline in July. Moreover, consumer price inflation recorded a rise of less than market anticipations on a yearly basis in June. Meanwhile, manufacturing production rebounded at par with the market forecast on a monthly basis in June. Furthermore, industrial production grew higher than market expectations in the same month, driven by an increase in mining and oil and gas output. Additionally, business inventories bounced back into positive territory in line with market anticipations in May. Moreover, real average weekly earnings surged on an annual basis in June, compared to its prior reading.

## GBPZAR ▲

### GBP trading stronger against ZAR

At 06:00 SAST, the British Pound is trading 0.1% higher against the South African Rand at R17.0896. In economic news, UK's Rightmove house price index bounced back into positive territory on a monthly basis in July.

The British Pound declined against the South African Rand on Friday.

## EURZAR ▲

### EUR trading higher against ZAR

At 06:00 SAST, the Euro marginally rose against the South African Rand to trade at R14.9536. Going forward, market participants will keep a tab on Eurozone's consumer price index for further cues.

The Euro weakened against the South African Rand on Friday. On the macro front, Eurozone's trade surplus expanded less-than-expected in May.

## AUDZAR ▼

### AUD trading lower against ZAR

At 06:00 SAST, the Australian Dollar is trading marginally weaker against the South African Rand at R10.1910. Earlier in the session, in China, Australia's largest trading partner, gross domestic product expanded more than market expectations on a yearly basis, while jumped in line with the market forecast on a quarterly basis in 2Q17. Further, industrial production increased higher than market anticipations on an annual basis in June. Additionally, retail sales grew more-than-expected on a yearly basis in the same month.

The Australian Dollar fell against the South African Rand on Friday.

## Key Currencies & Commodities

	Current		1 D % Chg	WTD % Chg	MTD % Chg	Prev. Month % Chg	YTD % Chg
USDZAR	13.0464	▲	-1.32%	NA	-0.30%	-0.33%	-5.06%
GBPZAR	17.0896	▲	-0.15%	NA	0.23%	0.98%	0.85%
EURZAR	14.9536	▲	-0.70%	NA	0.07%	1.56%	3.55%
AUDZAR	10.1910	▼	-0.32%	NA	1.60%	3.21%	2.92%
EURUSD	1.1462	▼	0.63%	NA	0.39%	1.62%	9.10%
GBPUUSD	1.3098	=	1.23%	NA	0.56%	1.05%	6.18%
Brent (\$/barrel)	49.0	▲	1.01%	NA	0.29%	-3.92%	-13.92%
Gold (\$/oz)	1230.1	▲	0.84%	NA	-1.19%	-2.33%	6.58%
Platinum (\$/oz)	920.9	=	1.81%	NA	-0.30%	-2.80%	2.14%
Copper (\$/MT)*	5905.3	▲	0.88%	NA	-0.37%	4.76%	6.92%

\*As of Previous Close

## Gold ▲

### Trading in the green

At 06:00 SAST, gold prices climbed 0.2% to trade at \$1,230.10/oz.

On Friday, gold prices rose 0.8% to close at \$1,227.50/oz, as the greenback weakened following disappointing US retail sales and inflation data which underpinned demand for the precious yellow metal.

## Brent Crude Oil ▲

### Trading stronger

At 06:00 SAST, Brent crude oil edged 0.3% higher to trade at \$49.04/bl.

On Friday, Brent crude oil advanced 1.0% to settle at \$48.91/bl, after Royal Dutch Shell in Nigeria declared a force majeure on Bonny Light crude oil exports because of a pipeline shutdown. Meanwhile, Baker Hughes reported that US crude oil rig count rose by 2 to 765 last week.

## Platinum ◀▶

### Trading flat

At 06:00 SAST, platinum prices are trading flat at \$920.90/oz.

On Friday, platinum prices climbed 1.8% to close at \$920.90/oz.

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## Major South Africa Corporate News

### Kumba Iron Ore Limited

In its 1H17 trading statement, the company indicated that its headline EPS is likely to be between ZAR13.70 and ZAR14.85, an increase of between 46.0% and 58.0%. Basic EPS is expected to be between ZAR13.64 and ZAR14.79, an increase of between 47.0% and 59.0%. The increase in earnings for the period is largely attributable to higher export iron ore prices, partially offset by the stronger Rand.

### MTN Group Limited

In its 1H17 trading statement, the company revealed that it expects an improvement of at least 20.0% in both headline EPS and earnings per share, compared with a headline loss per share of 271.00c and attributable loss per share of 301.00c reported in the prior comparable period.

### The Foschini Group Limited

The company announced that all conditions precedent in respect of the Retail Apparel Group (RAG) acquisition have now been fulfilled and that the parties will, therefore, proceed to implement the acquisition in accordance with its terms. As such, the acquisition is officially unconditional, thereby resulting in an effective date of July 24, 2017.

## Major Global Economic News

### US

In the US, the consumer price index (CPI) registered a rise of 1.6% on an annual basis in June, less than market expectations for an advance of 1.7%. In the previous month, the CPI had recorded a rise of 1.9%.

In July, the preliminary Reuters/Michigan consumer sentiment index fell to a level of 93.10 in the US, compared to a reading of 95.10 in the prior month. Market expectation was for the index to ease to a level of 95.00.

In the US, advance retail sales registered an unexpected drop of 0.2% on a monthly basis in June, less than market expectations for an advance of 0.1%. In the prior month, advance retail sales had fallen by a revised 0.1%.

In June, real average weekly earnings recorded a rise of 1.1% on a yearly basis in the US, compared to a reading of 0.5% in the previous month.

In the US, industrial production rose 0.4% on a monthly basis in June, more than market expectations for an advance of 0.3%. In the prior month, industrial production had risen by a revised 0.1%.

In June, manufacturing production recorded a rise of 0.2% on a monthly basis in the US, at par with market expectations. In the prior month, manufacturing production had registered a drop of 0.4%.

In the US, business inventories advanced 0.3% on a monthly basis in May, meeting market expectations. Business inventories had dropped 0.2% in the prior month.

### Eurozone

In the Eurozone, the seasonally adjusted trade surplus widened to EUR19.70bn in May, following a revised trade surplus of EUR18.60bn in the previous month. Markets were anticipating the region's a trade surplus to expand to EUR20.20bn.

### Asia

In China, gross domestic product (GDP) advanced 6.9% on an annual basis in 2Q17, higher than market expectations for a rise of 6.8%. GDP had registered a similar rise in the previous quarter while GDP rose 1.7% on a quarterly basis in 2Q17, compared to an advance of 1.3% in the prior quarter. Market anticipation was for GDP to climb 1.7%.

In June, industrial production advanced 7.6% on an annual basis in China, higher than market expectations for a rise of 6.5%. In the previous month, industrial production had climbed 6.5%.

In China, retail sales advanced 11.0% on a yearly basis in June, higher than market expectations for an advance of 10.6%. In the previous month, retail sales had advanced 10.7%.

### UK

In the UK, the Rightmove house price index advanced 0.1% on a monthly basis in July. In the previous month, the index had dropped 0.4%.

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## 40 Best Performers on the All Share Index

Company Name	Last Close	1 Week % Change	MTD % Change	YTD % Change
Naspers Ltd	271200	9.59%	-0.13%	34.65%
Adcock Ingram Holdings Ltd	6350	4.73%	2.75%	33.00%
Bid Corp Ltd	31284	-1.93%	4.40%	28.80%
Dis-Chem Pharmacies Ltd	2835	4.92%	-1.66%	26.89%
Clicks Group Ltd	14310	1.02%	5.72%	26.74%
Murray & Roberts Holdings Ltd	1445	7.20%	8.73%	25.43%
Mondi Plc	34360	-0.17%	-0.40%	25.35%
Mondi Ltd	34310	0.32%	-0.63%	24.60%
Trencor Ltd	3451	-0.72%	2.40%	22.74%
Capitec Bank Holdings Ltd	83250	4.79%	6.90%	21.05%
RCL Foods Ltd/South Africa	1520	-0.13%	1.33%	20.55%
Discovery Ltd	13658	6.04%	6.60%	20.08%
Shoprite Holdings Ltd	20400	3.93%	-2.39%	20.03%
DataTec Ltd	5920	-3.52%	13.41%	19.64%
Fortress Income Fund Ltd	3778	6.27%	7.97%	19.53%
Cie Financiere Richemont SA	10796	-0.24%	-2.40%	18.98%
Anglo American Platinum Ltd	31318	2.35%	12.29%	18.44%
PSG Group Ltd	25574	6.77%	6.75%	18.20%
British American Tobacco Plc	89800	-0.78%	-4.89%	18.03%
Equites Property Fund Ltd	1800	3.69%	4.90%	17.73%
Reunert Ltd	7477	3.70%	5.04%	17.04%
Glencore Plc	5397	5.60%	10.48%	16.70%
Vodacom Group Ltd	17221	3.47%	7.03%	16.06%
MAS Real Estate Inc	2514	3.67%	6.98%	14.74%
PSG Konsult Ltd	835	0.60%	1.83%	14.43%
Resilient REIT Ltd	12780	3.07%	6.26%	14.28%
Gold Fields Ltd	4904	6.54%	5.69%	14.21%
New Europe Property Investments Plc	17600	6.37%	15.03%	13.08%
Exxaro Resources Ltd	9747	2.28%	-4.53%	13.01%
Hudaco Industries Ltd	12575	-0.92%	-4.08%	12.93%
AECI Ltd	10996	-0.85%	2.59%	11.67%
Rockcastle Global Real Estate Co Ltd	3761	5.41%	14.32%	11.34%
Octodec Investments Ltd	2348	4.73%	1.21%	11.28%
Reinet Investments SCA	2958	0.65%	-6.54%	10.37%
Sanlam Ltd	6660	0.32%	-2.96%	10.26%
Investec Plc	9990	0.99%	-2.91%	10.08%
Astral Foods Ltd	13950	-4.88%	-12.01%	9.94%
Fortress Income Fund Ltd	1750	2.70%	3.12%	9.84%
Texton Property Fund Ltd	810	0.62%	-1.10%	9.45%
Brimstone Investment Corp Ltd	1275	-1.77%	-7.27%	9.42%
<b>JSE All Share Index</b>	<b>47309</b>	<b>-11.73%</b>	<b>4.16%</b>	<b>7.76%</b>

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## Economic Calendar

Country	SAST	Economic Indicator	Relevance	Consensus/ *Actual	Previous	Frequency
UK	01:01	Rightmove House Price Index (MoM) (Jul)	✓	0.10%*	-0.40%	Monthly
UK	01:01	Rightmove House Price Index (YoY) (Jul)	✓	2.80%*	1.80%	Monthly
China	04:00	Gross Domestic Product (QoQ) (Q2)	✓✓	1.70%*	1.30%	Quarterly
China	04:00	Gross Domestic Product (YoY) (Q2)	✓✓✓	6.90%*	6.90%	Quarterly
China	04:00	Industrial Production (YoY) (Jun)	✓✓	7.60%*	6.50%	Monthly
China	04:00	Industrial Production YTD (YoY) (Jun)	✓✓	6.90%*	6.70%	Monthly
China	04:00	Retail Sales (YoY) (Jun)	✓✓	11.00%*	10.70%	Monthly
China	04:00	Retail Sales YTD (YoY) (Jun)	✓✓	10.40%*	10.30%	Monthly
China	04:00	Fixed Assets Inv Excl. Rural YTD (YoY) (Jun)	✓✓	8.60%*	8.60%	Monthly
China	04:00	Real Gross Domestic Product YTD (YoY) (Q2)	✓✓✓	6.90%*	6.90%	Quarterly
Canada	14:30	Canadian Portfolio Investment in Foreign Securities (May)	✓	-	-CAD9.87bn	Monthly
Canada	14:30	Foreign Portfolio Investment in Canadian Securities (May)	✓	-	CAD10.60bn	Monthly
US	14:30	NY Empire State Manufacturing Index (Jul)	✓✓	15.00	19.80	Monthly
Canada	15:00	Existing Home Sales (MoM) (Jun)	✓	-	-6.20%	Monthly

Note: ✓✓✓ High    ✓✓ Medium    ✓ Low

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